

INTERIM RESULTS

for the six months ended 30 September 2010

8 November 2010



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Highlights

Interim results for the six months ended 30 September 2010



Growth across all key measures



4.4%¹

Group service revenue
R26 094 million



41.1%

Group data revenue
R2 865 million



5.4%²

Group EBITDA
R9 789 million



21.8%

Group OpFCF
R6 560 million



38.4%

Headline earnings per share
303 cents



63.6%

Dividends per share
180 cents

1. Growth in constant currency

2. Normalised to exclude trading foreign exchange and at a constant currency

High demand for mobile broadband services

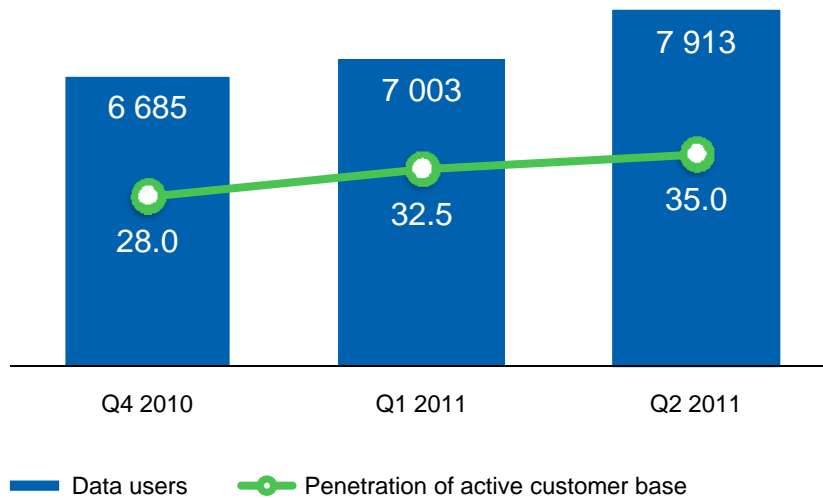
SA mobile connect cards up

46.1%
to 916 000



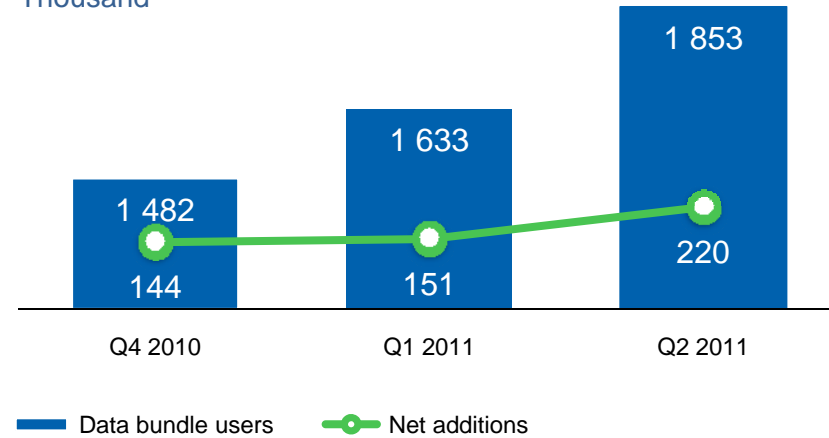
SA data users

Thousand/%



SA data bundle users

Thousand



SA smartphones up

65.0%
to 2.5 million



Widening access to mobile internet



Expanding smartphone portfolio

BlackBerry® Torch™, Samsung Galaxy S and iPhone 4 launched



Mobile internet availability expanding

600 000 devices sold to date with Opera Mini



Increasing access to smarter phones

Vodafone 546 (QWERTY) retail R699
Vodafone 543 (touch screen) retail R499



Cheapest Android™ smartphone

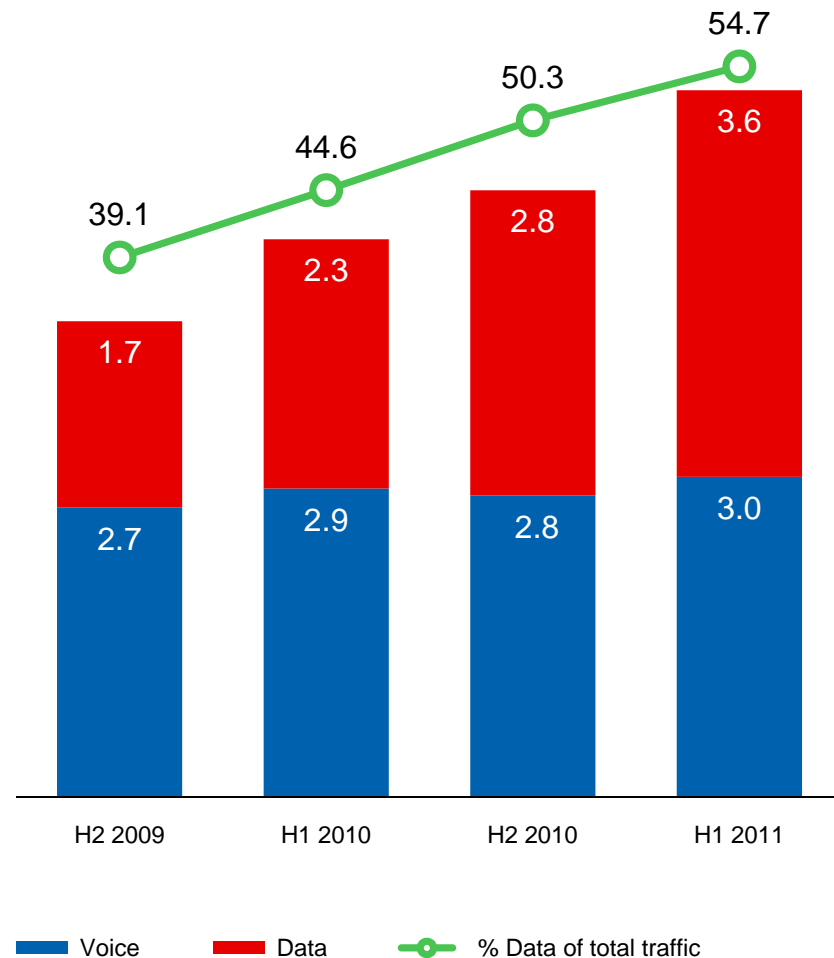
Vodafone 845 retail R1 399

Securing data network leadership in South Africa

- **Expanding 3G coverage**
 - 351 3G base stations added
 - 3G population coverage of 57.0%
- **Higher network capacity**
 - All 3G sites 14.4Mbps
 - 1 800 HSPA+ sites
 - RAN swap
- **Substantial transmission investment**
 - More than 50% of core traffic on own network
 - 831km of fibre trenched during the six months
- **Undersea cable capacity increasing**
 - SEACOM, SAT3, EASSy

SA network traffic

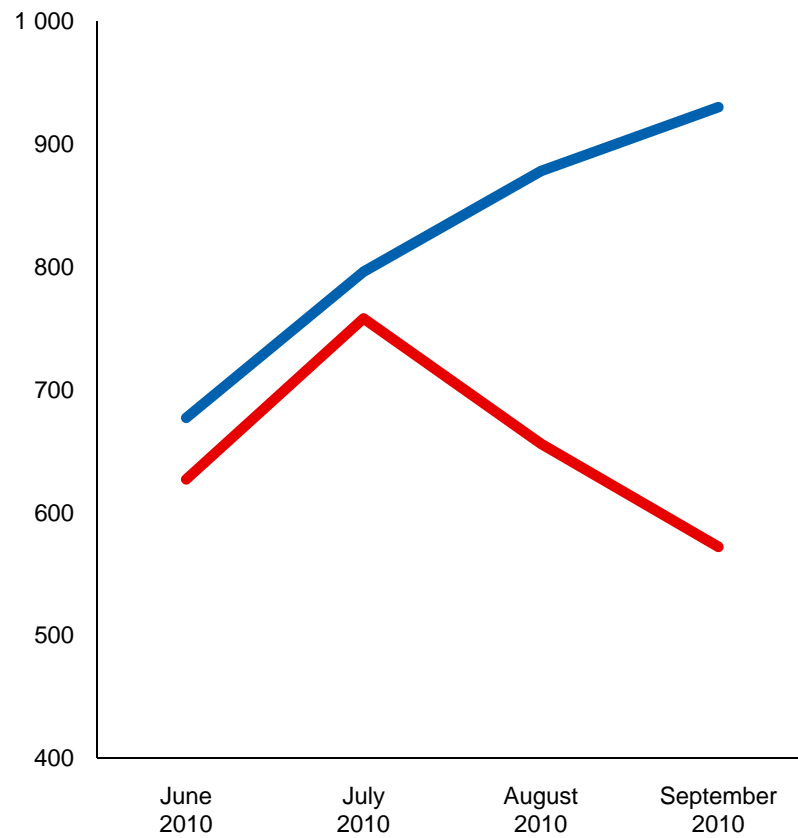
Converted to petabytes



Customer growth in South Africa

SA prepaid customers

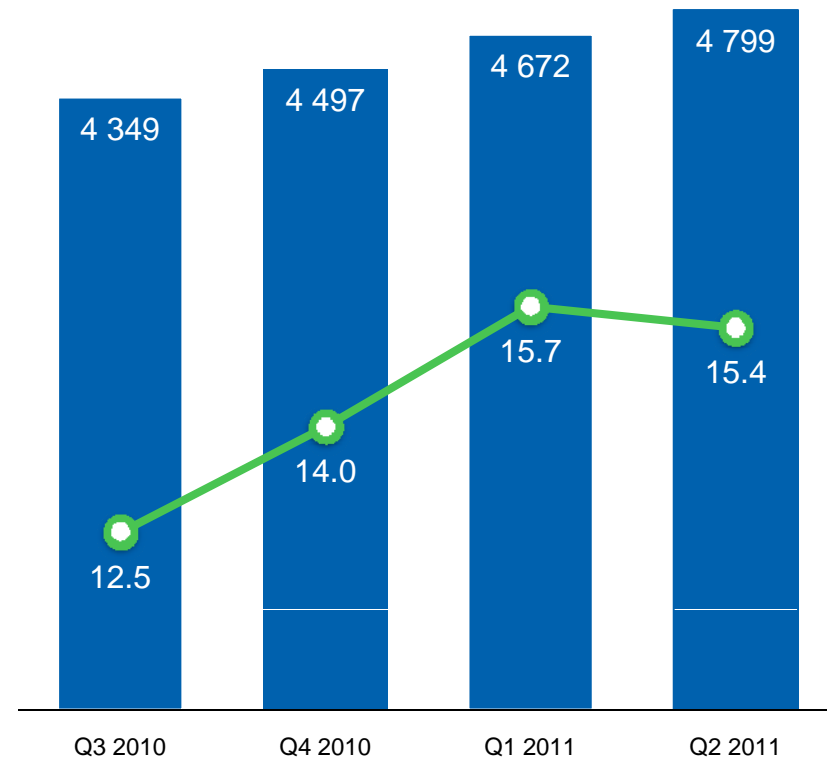
Thousand



— Gross connections — Churn

SA contract customers

Thousand/%



— Contract customers — YoY growth

New value offerings driving higher usage

FREE CALLS BETWEEN MIDNIGHT AND 5AM. BABIZE BONKE!
Spread the word. Recharge with R12 or more and get 60 minutes FREE daily, to use on Vodacom-to-Vodacom calls between midnight and 5am, for 7 days. The nightsplit continues with the Vodacom family. Offer valid until 31 March 2011.

YOU PAY FOR BUSINESS, WE PAY FOR LEISURE.
Free weekend calls for Contract customers.
Including 1000 minutes free to use on 1 May Contract customers get up to 7 days of weekend use (from 06:00 to 23:59) of 1000 minutes per month (including 1000 to use on 1 May) for Contract customers.
Contract and prepaid calls to destinations included in the offer are charged to the weekend and Monday and Tuesday.

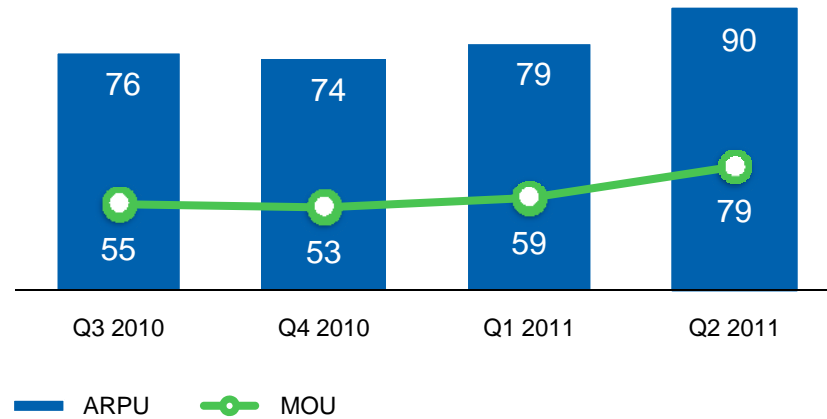
UP TO 100% FREE CALLS FOR THE VODACOM FAMILY SO YOU CAN CALL iCHERRIE FREE, uGOGO GRATIS, uJACK VERNIET, IMPINTJI SMAHLA, uLEB VIR NIKS, uSARA MAHALA, uBABA NO CHARGE, THAT GUY FROM SCHOOL FREE, OOM JOHAN GRATIS, THAT OTHER NUMBER ON THE FRIDGE VERNIET.

Vodacom Prepaid customers, dial 1181 FREE to change to Yebo4Less, and start enjoying up to 100% discount on calls.

Yebo4Less

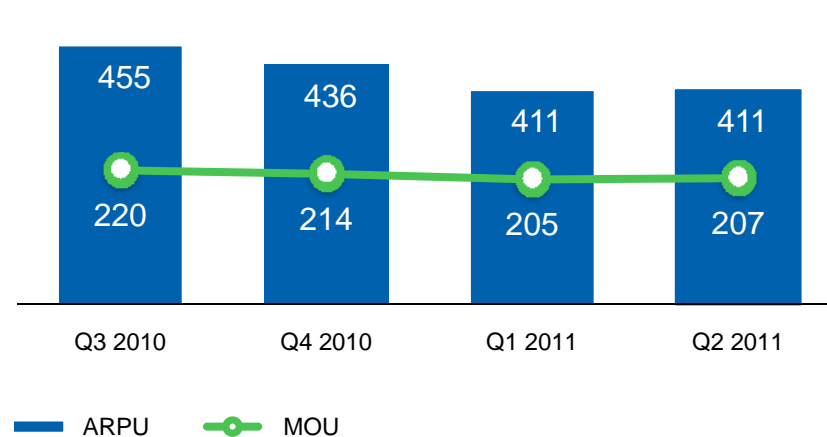
SA prepaid customer ARPU and MOU

R/minutes



SA contract customer ARPU and MOU

R/minutes



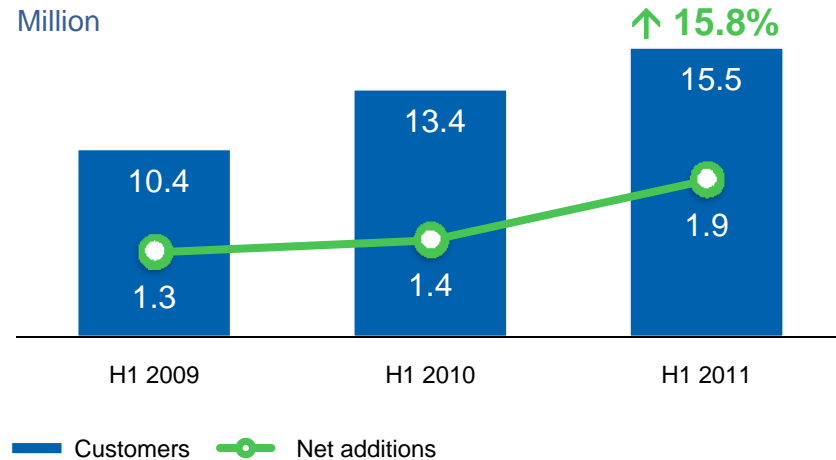
Growth returns in International operations

- Positive revenue growth
- Customer growth remains strong
- Demand high for voice services
- Data growth boosted by M-PESA
- Strong cost focus



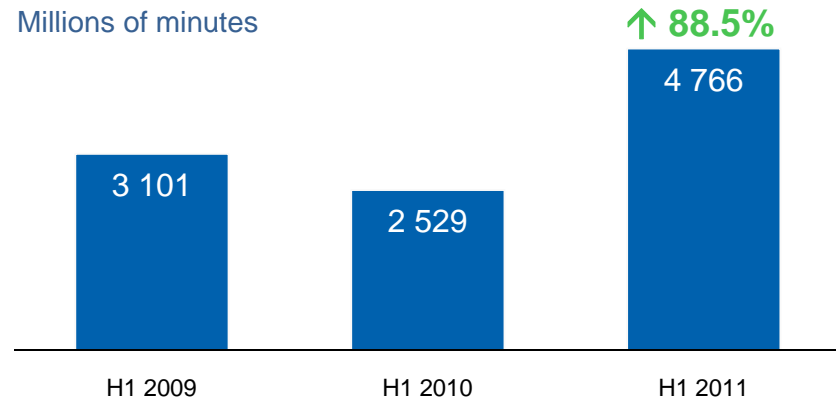
International customers

Million



International voice traffic

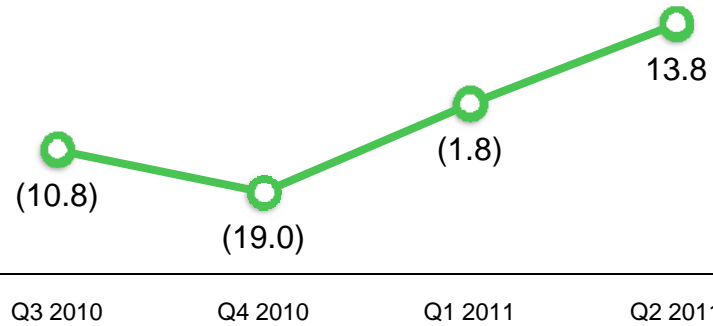
Millions of minutes



Improving performance in Tanzania

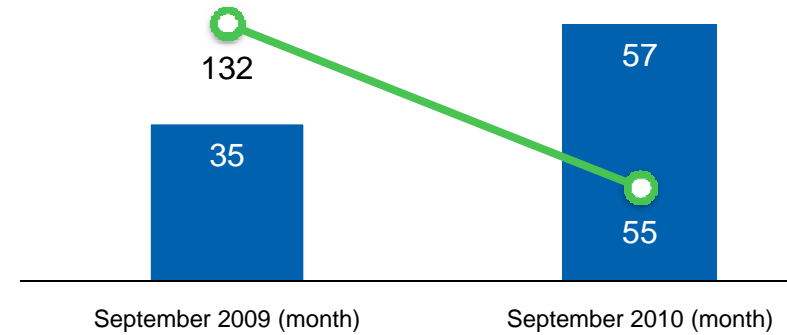
Tanzania service revenue YoY growth

%



Tanzania MOU/PPM

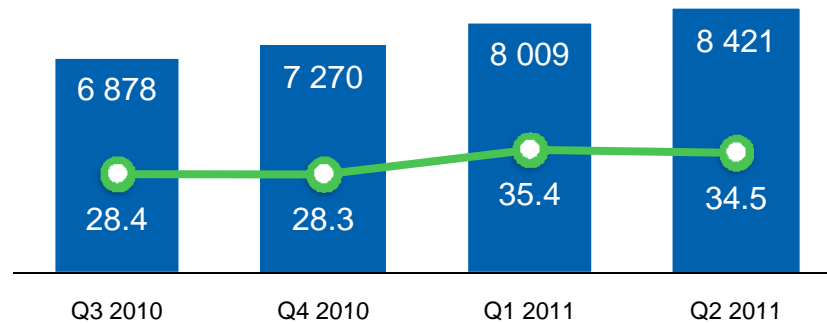
Minutes/TZS



MOU Price per minute

Tanzania customer growth

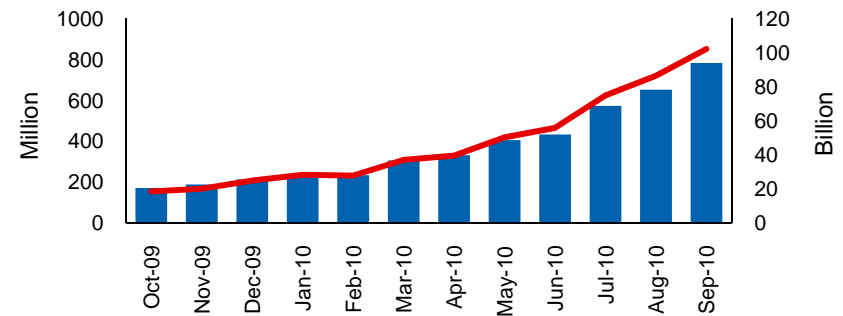
Thousand/%



Customers YoY growth

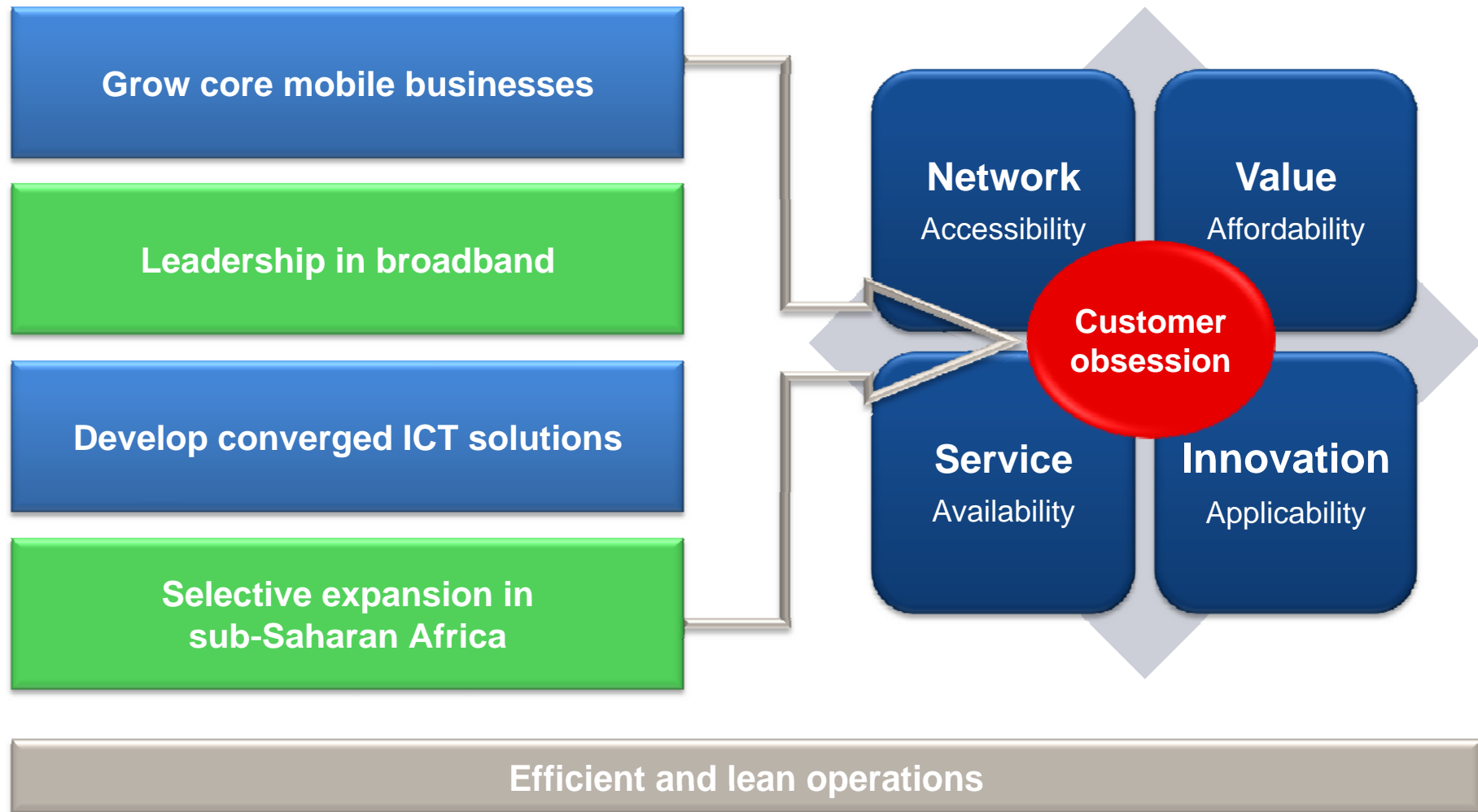
Tanzania M-PESA

TZS



Revenue (million) Transactional value (billion)

Strategy to deliver further growth





Financial review

Interim results for the six months ended 30 September 2010



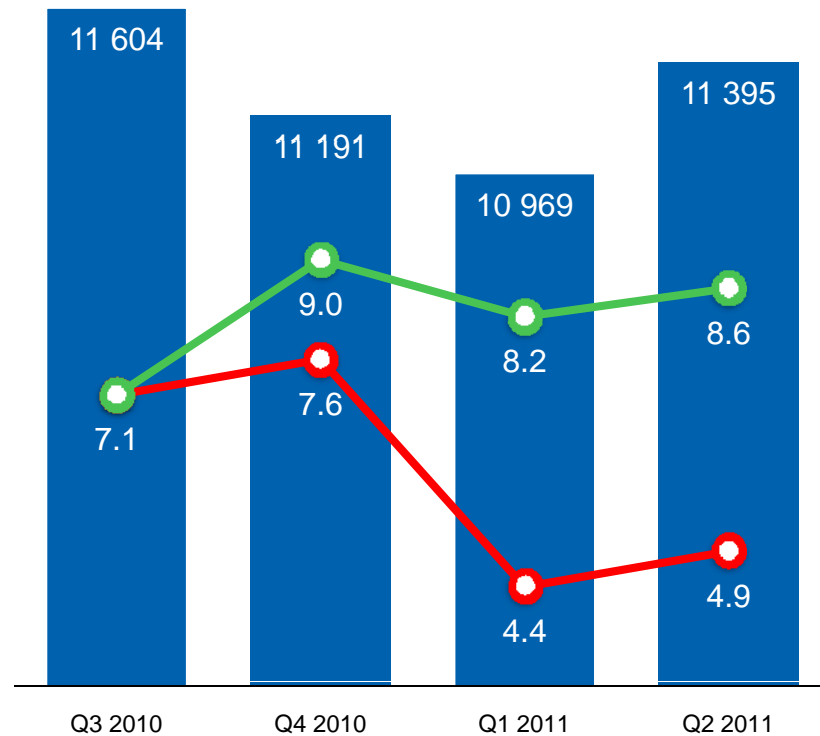
Group income statement

R million	H1 2011	H1 2010	% change
Service revenue	26 094	25 531	2.2
Revenue	29 516	28 675	2.9
EBITDA	9 788	9 519	2.8
Operating profit before impairment losses	7 094	6 896	2.9
Impairment losses	(33)	(3 189)	(99.0)
Operating profit after impairment losses	7 061	3 707	90.5
Net finance charges	(558)	(1 283)	(56.5)
Loss from associate	-	(14)	(100.0)
Profit before tax	6 503	2 410	169.8
Taxation	(2 234)	(2 351)	(5.0)
Net profit	4 269	59	> 200.0
Attributable to:			
Equity shareholders	4 416	61	> 200.0
Non-controlling interests	(147)	(2)	< (200.0)
HEPS (cents)	303	219	38.4
Weighted average shares in issue (million)	1 472	1 488	(1.1)

Solid SA service revenue growth; International trends encouraging

SA service revenue

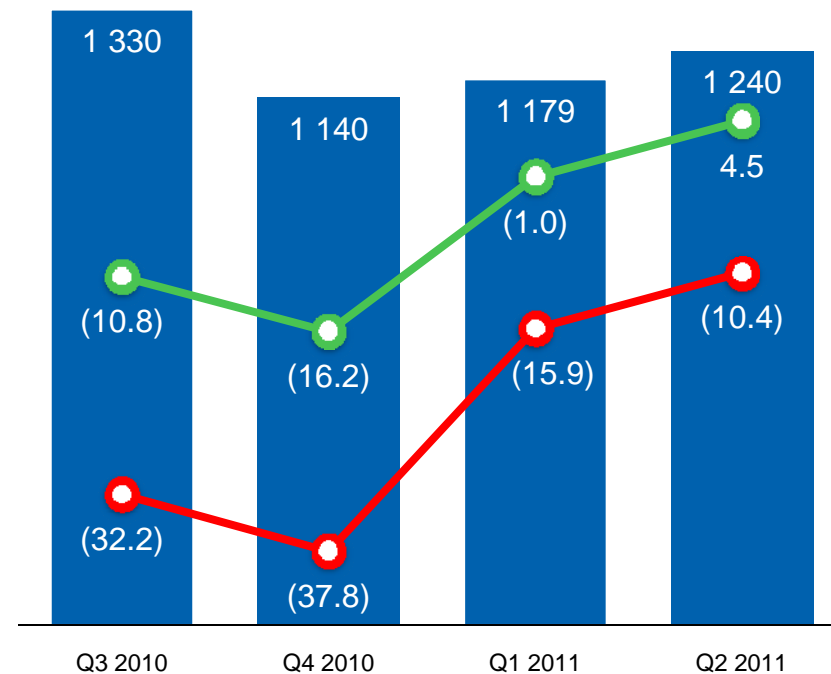
R million/%



■ Service revenue
● YoY growth
● YoY growth excl. MTR impact

International service revenue¹

R million/%



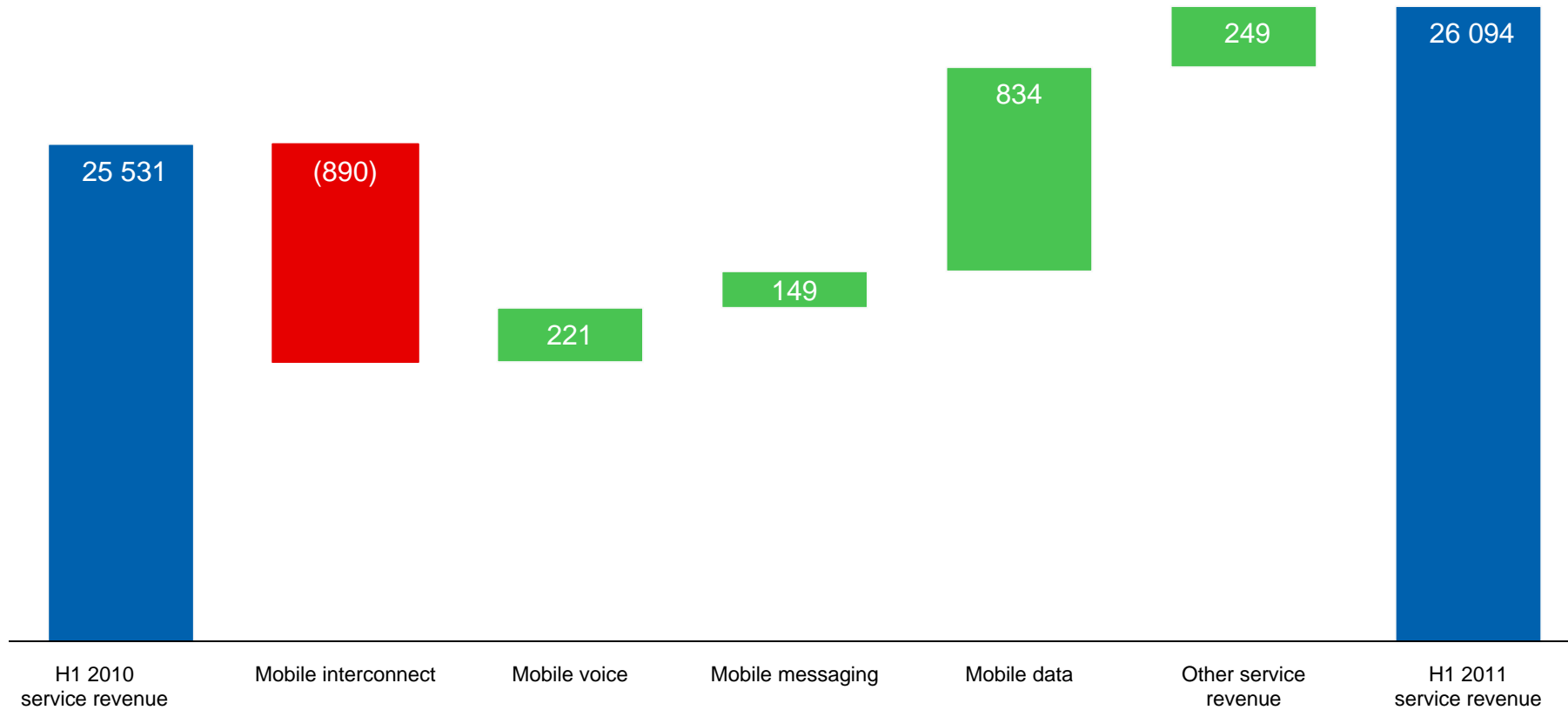
■ Service revenue
● YoY growth
● YoY constant currency growth

1. Excluding Gateway

Reduction in interconnect revenue largely offset by data

Group service revenue growth by category

R million



Impact of mobile termination rates

- **MTR rates changed from 1 March 2010**
 - Peak dropped from R1.25 to R0.89
- **MTR impact in first six months**
 - R800 million in revenue
 - R260 million in EBITDA
- **Future MTR cuts**
 - March 2011: Peak – R0.73
Off-peak – R0.65
 - March 2012: Peak – R0.56
Off-peak – R0.52
 - March 2013: Peak/Off-peak – R0.40
- **Asymmetry for qualifying operators**
 - March 2011: 20% higher
 - March 2012: 15% higher
 - March 2013: 10% higher

SA interconnect

R million	H1 2011	H1 2010	% change
Interconnect revenue	3 340	4 075	(18.0)
% of service revenue	14.9	19.1	
Interconnect cost	(2 802)	(3 111)	(9.9)
Net interconnect revenue	538	964	(44.2)
% of EBITDA	5.8	11.0	

SA incoming interconnect traffic

Millions of minutes	H1 2011	H1 2010	% change
Mobile	2 731	2 744	(0.5)
Fixed-line	1 086	1 134	(4.2)

Group operating costs

Group operating costs¹ by segment

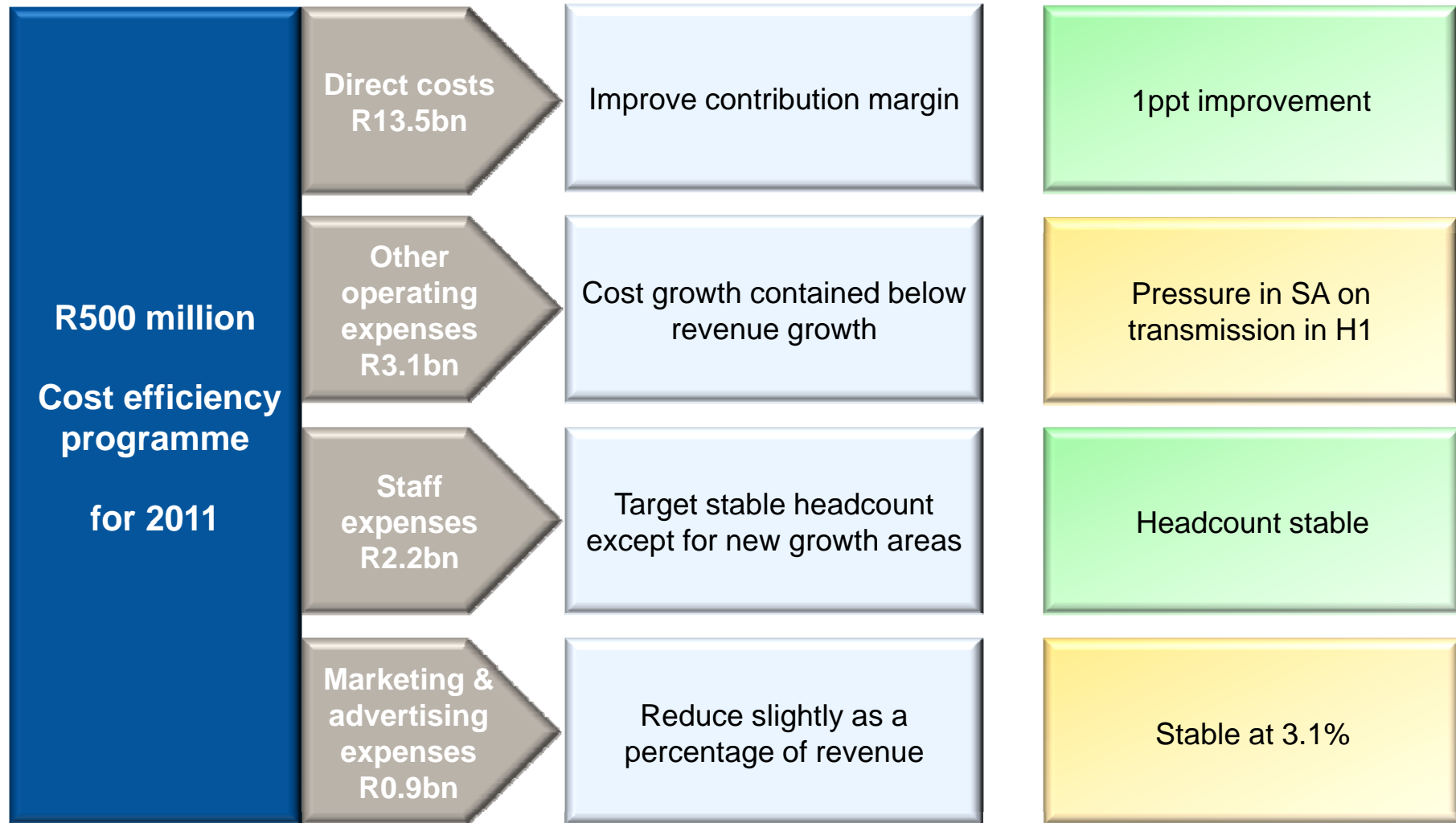
R million	H1 2011	% change
South Africa	16 492	5.4
International ²	3 414	(8.2)
Corporate/eliminations	(157)	(2.6)
Operating costs¹	19 749	2.8

Group operating costs¹ by category

R million	H1 2011	%	% ³
Direct costs	13 495	0.8	2.8
Staff expenses	2 242	4.6	7.9
Marketing and advertising expenses	929	4.0	7.9
Other operating expenses	3 083	10.3	10.2
Operating costs¹	19 749	2.8	4.7

1. Excluding depreciation, amortisation and impairment losses
2. The International segment has been restated to include Gateway
3. Excluding trading foreign exchange and at a constant currency

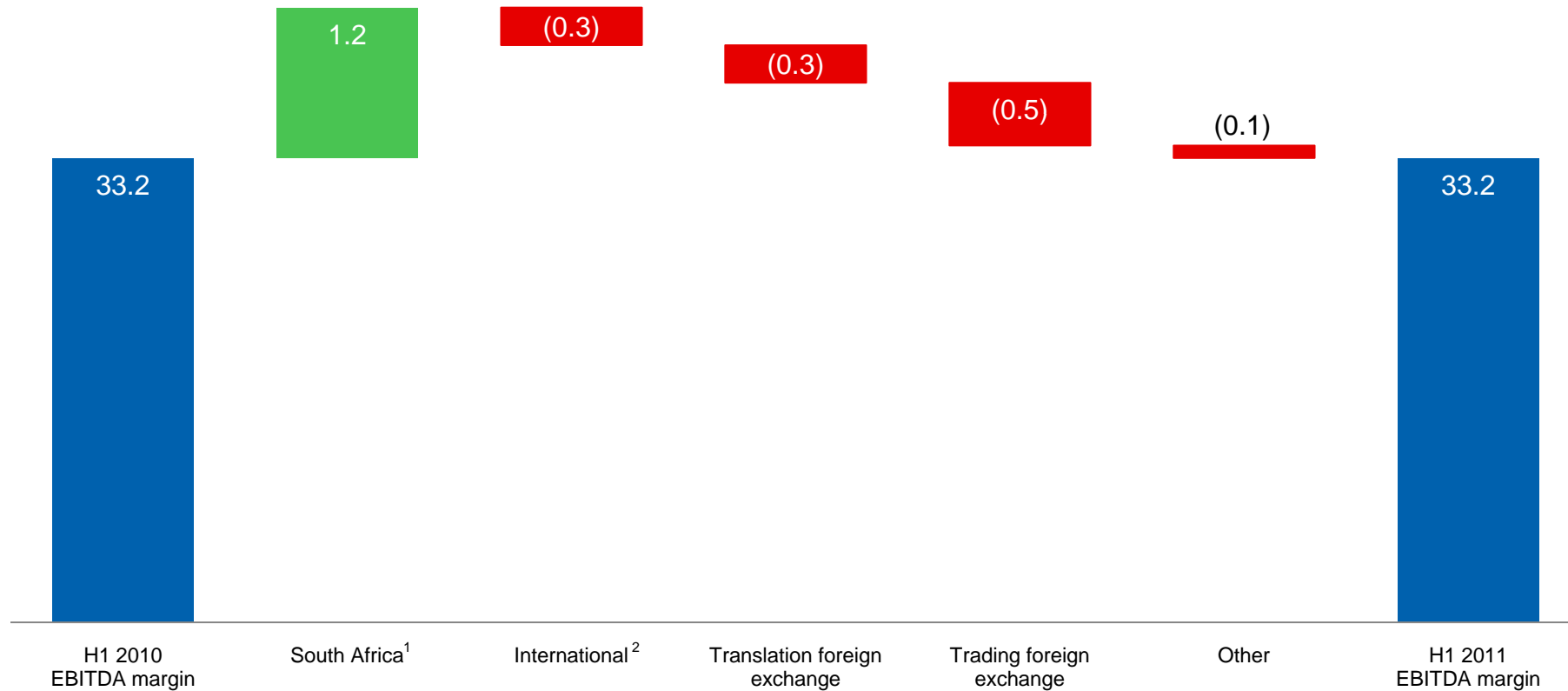
Cost efficiency programme on track



Group EBITDA margin stable

EBITDA margin

%



1. Excluding trading foreign exchange

2. Excluding trading foreign exchange and at a constant currency

Group finance charges reduced due to lower average debt

Group net debt

R million	H1 2011	H1 2010
Cash and cash equivalents	938	729
Bank borrowings	(2)	(9)
Debt	(12 721)	(15 560)
Net debt	(11 785)	(14 840)
Net debt/EBITDA (times)	0.6	0.8
Average debt	(11 604)	(16 061)

Group net finance charges

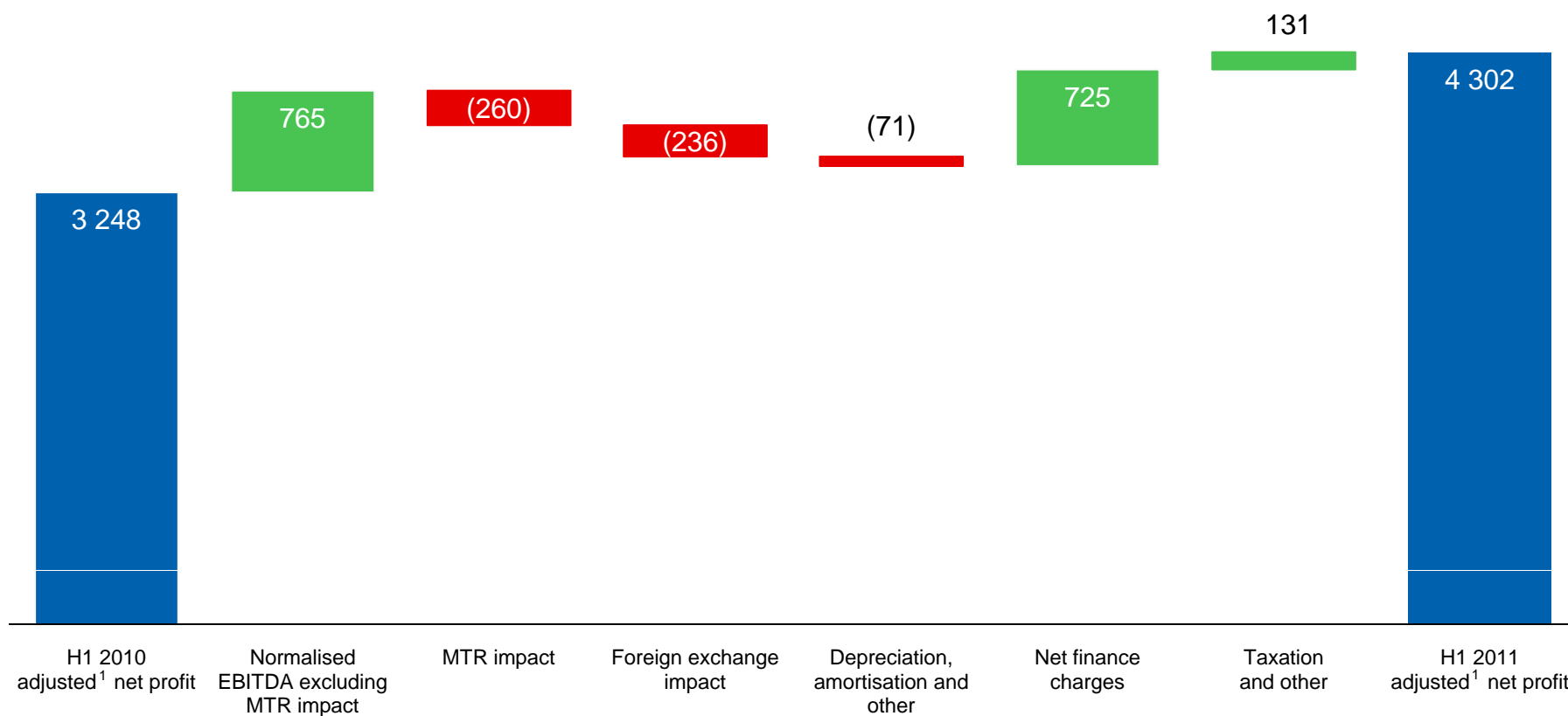
R million	H1 2011	% change
Net finance costs	(364)	52.2
Gain on remeasurement of loans	32	113.8
Loss on translation of foreign assets and liabilities	(121)	> 200.0
Loss on derivatives ¹	(105)	(59.5)
Net finance charges	(558)	(56.5)
Average cost of debt (%)	7.9	(1.4ppt)

1. Mainly FECs

Movement in Group net profit

Net profit analysis

R million

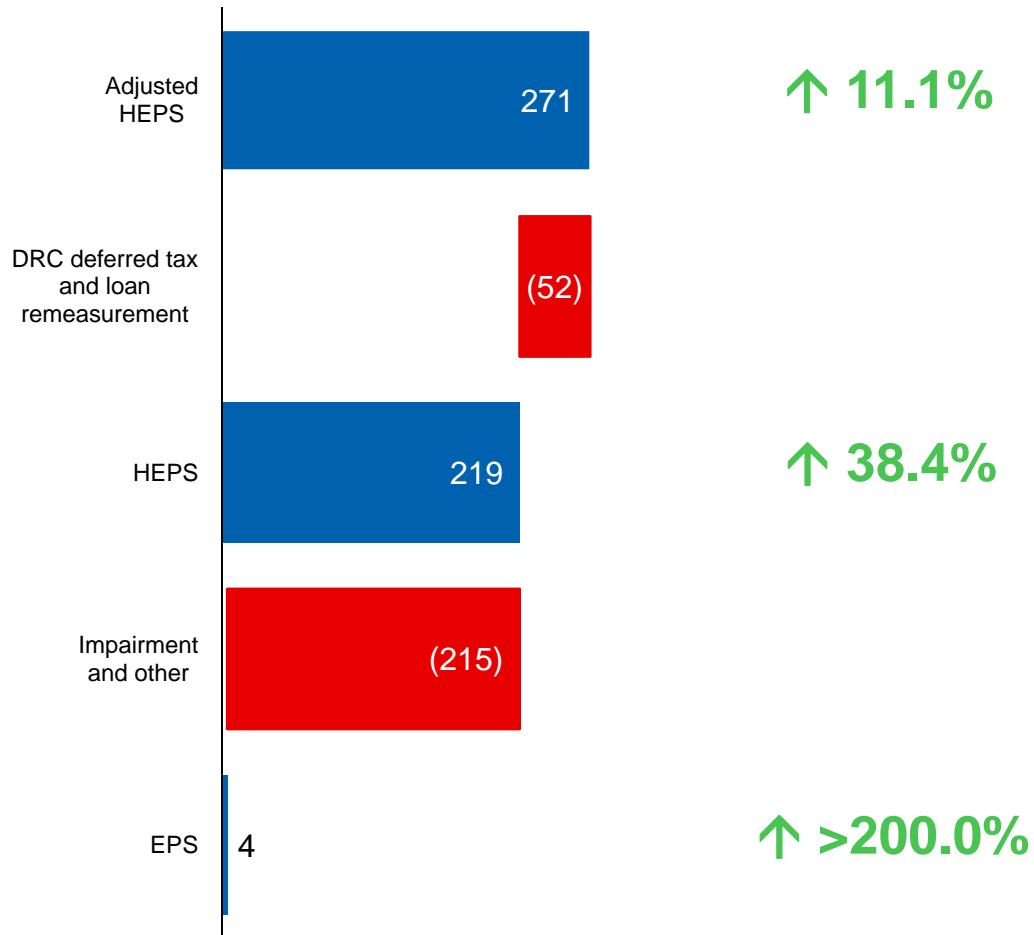


1. Adjusted net profit excludes impairment losses of R33 million (2009: R3 189 million)

Adjusted headline earnings per share increased 11.1%

H1 2010 headline earnings per share

Cents per share



H1 2011 headline earnings per share

Cents per share



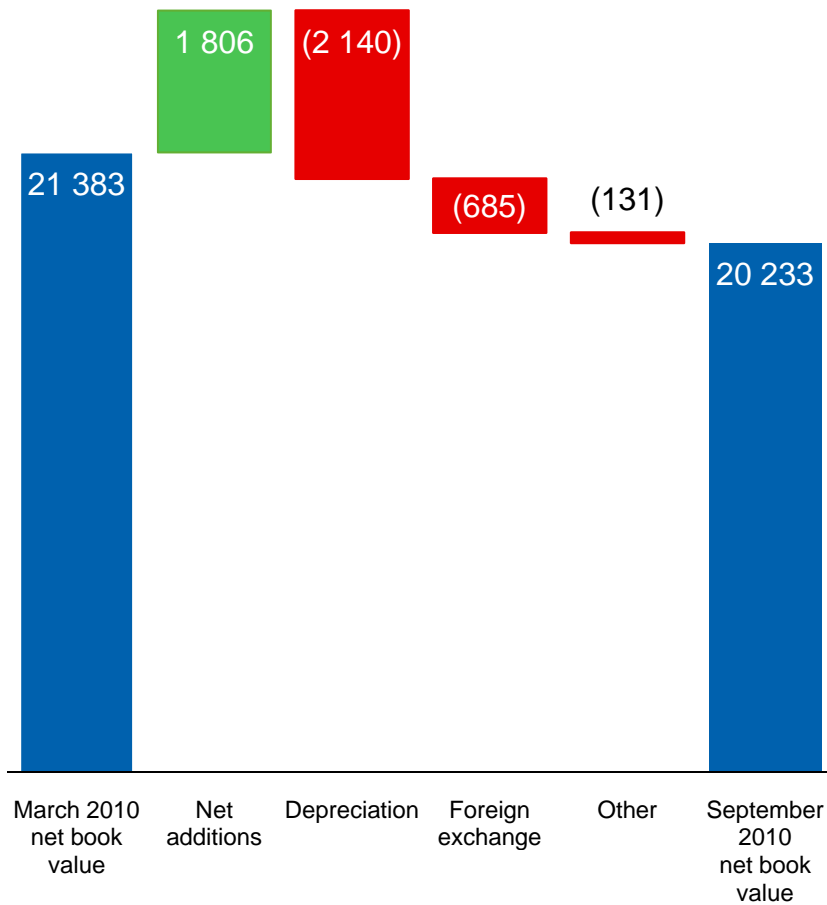
Group statement of financial position

R million	H1 2011	FY 2010	Movement
Assets			
Property, plant and equipment	20 233	21 383	(1 150)
Intangible assets	6 376	6 673	(297)
Other non-current assets	1 160	1 075	85
Current assets	13 330	12 560	770
Total assets	41 099	41 691	(592)
Equity and liabilities			
Total equity	14 995	14 636	359
Borrowings	12 719	13 025	(306)
Other liabilities	13 385	14 030	(645)
Total equity and liabilities	41 099	41 691	(592)
Net asset value per share (cents)	1 018	985	33

Movement in PPE and intangible assets

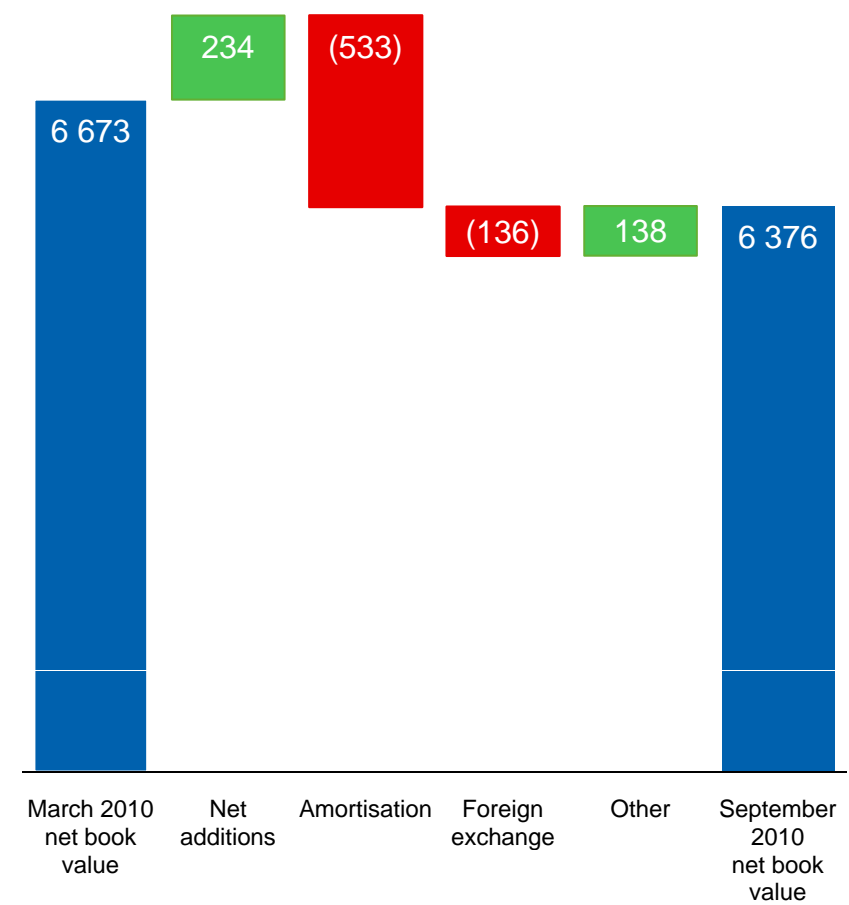
Property, plant and equipment

R million



Intangible assets

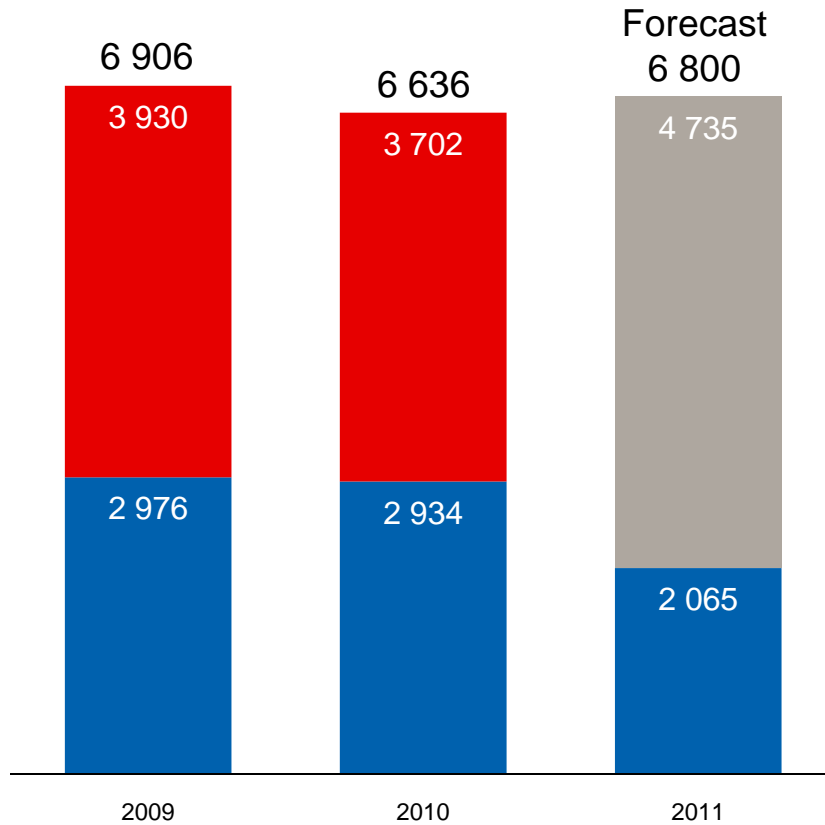
R million



Capital expenditure

Group capex

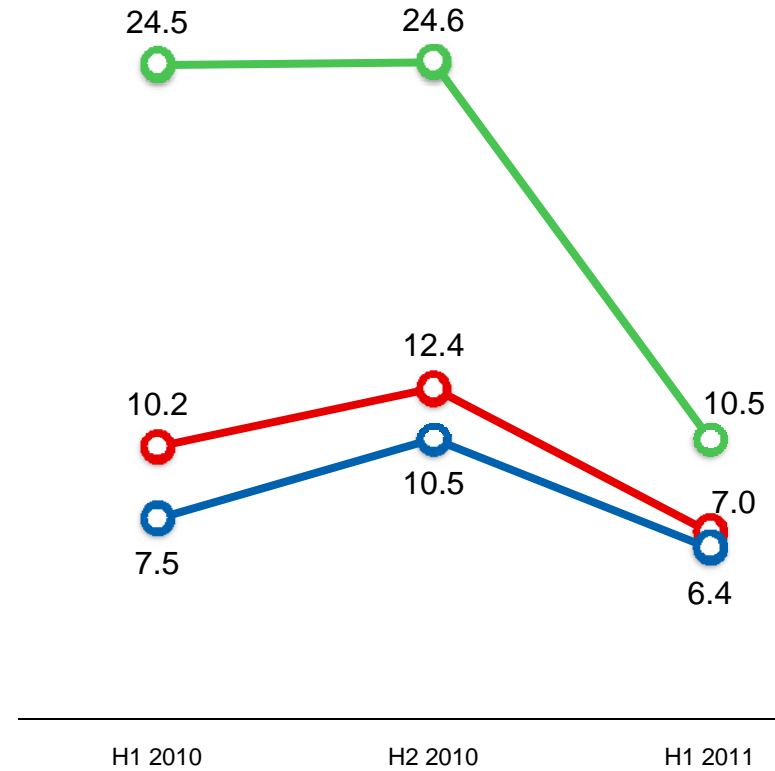
R million



■ H1 actual ■ H2 actual ■ H2 forecast

Capex intensity

%

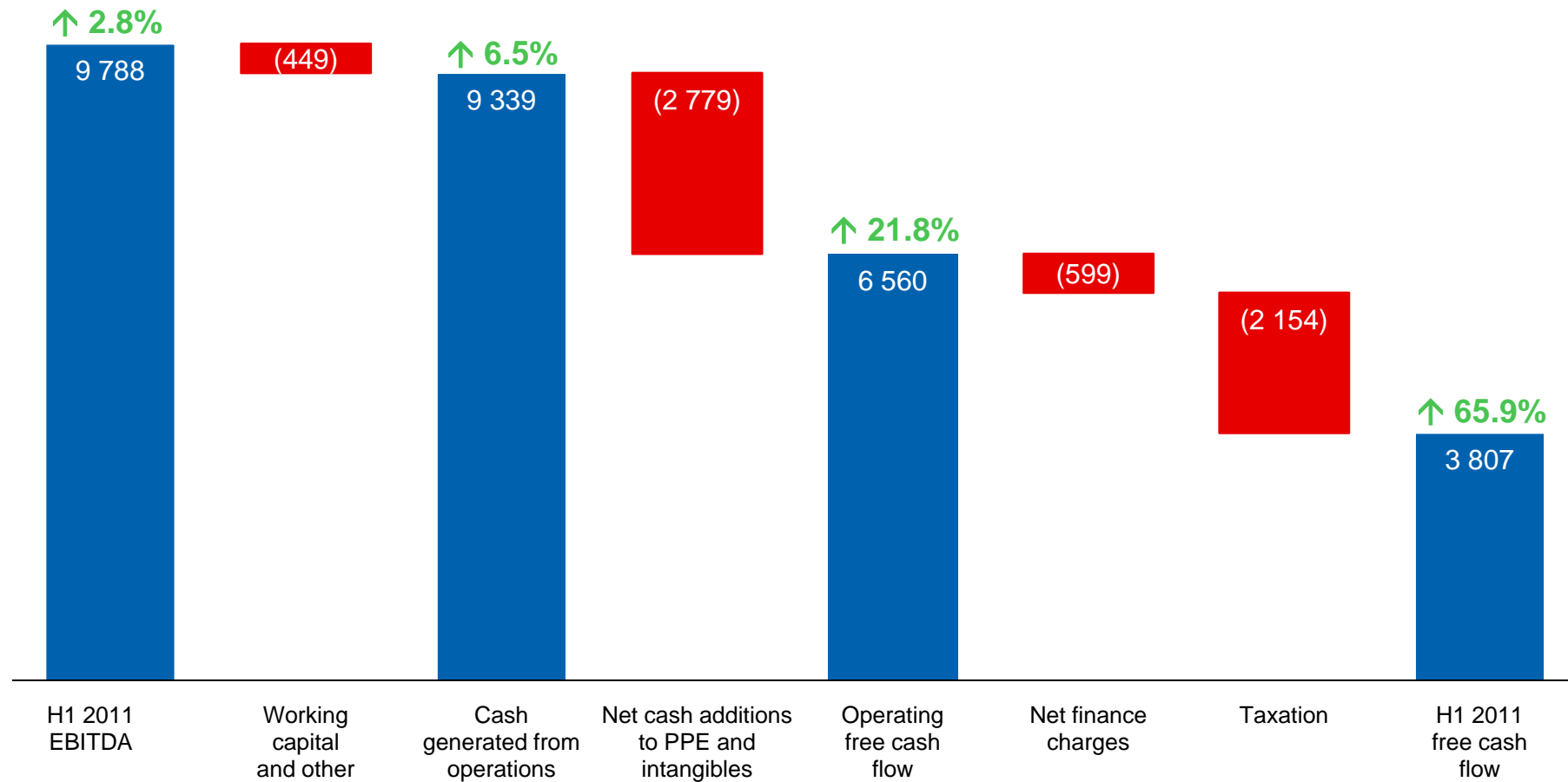


● Group ● SA ● International

Group free cash flow increased 65.9%

Cash flow generation

R million



Improving shareholder returns

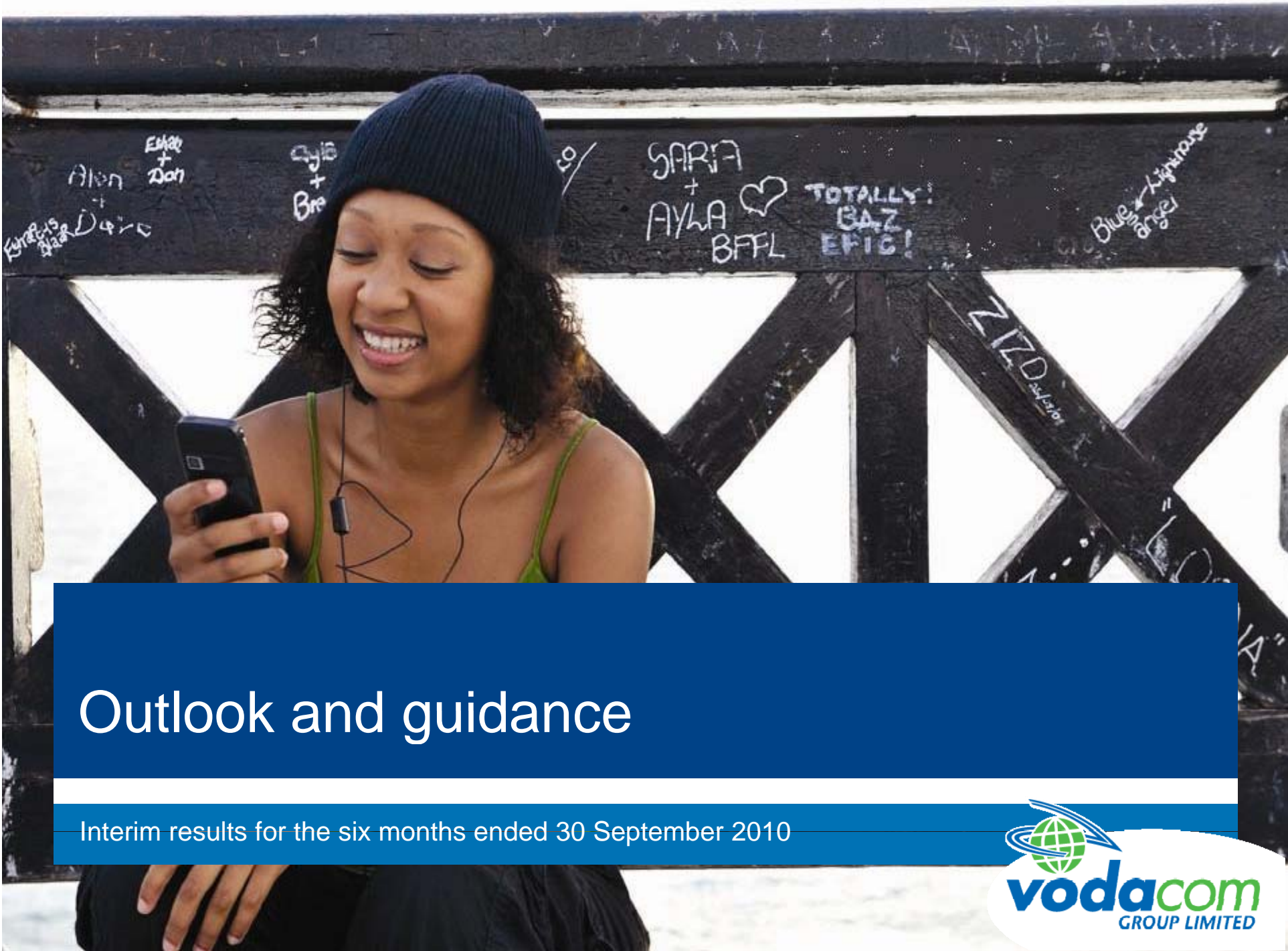
- R959 million spent on share repurchase plan
- 63.6% increase in interim dividend

Earnings and dividend

R million	H1 2011	H1 2010
Adjusted¹ headline earnings	4 431	4 039
Adjusted¹ HEPS (cents)	301	271
HEPS (cents)	303	219
DPS (cents)	180	110
Payout ratio² (%)	60	40

1. Adjusted earnings excludes material non-cash items of R32 million gain (2010: R784 million loss)

2. Based on adjusted headline earnings



Outlook and guidance

Interim results for the six months ended 30 September 2010



Company medium-term targets remain unchanged

Market position	Maintain or improve market position in all geographies
Service revenue	Growth in service revenue despite reduced interconnect revenue (low single digit)
EBITDA	Improve EBITDA margin through operational efficiencies
Capital expenditure	Manage capital expenditure between 11-13% of Group revenue

Medium-term financial targets are indicated over a three year period ending March 2013 assuming constant currencies

Key take-aways

High growth in mobile broadband

Stronger customer and usage growth

Recovery in International operations

Cost programme on track

Improving shareholder returns



Appendix

Interim results for the six months ended 30 September 2010



Exchange rates

Average year to date	H1 2011	H1 2010	% change	FY 2010	% change
USD/ZAR	7.43	8.15	(8.8)	7.83	(5.1)
ZAR/MZN	4.74	3.35	41.5	3.68	28.8
ZAR/TZS	197.48	163.29	20.9	171.29	15.3
EUR/ZAR	9.53	11.36	(16.1)	11.05	(13.8)

Closing rate	H1 2011	H1 2010	% change	FY 2010	% change
USD/ZAR	6.98	7.39	(5.5)	7.38	(5.4)
ZAR/MZN	5.19	3.83	35.5	4.35	19.3
ZAR/TZS	215.53	178.59	20.7	184.29	17.0
EUR/ZAR	9.51	10.81	(12.0)	9.89	(3.8)

Country data

	South Africa	Tanzania	DRC	Mozambique	Lesotho	Gateway
Population (million)	50	45	68	23	2	n/a
GDP per capita (USD)	7 180	513	220	388	1 210	n/a
GDP growth est. 2010 (%)	2.8	6.4	3.0	8.3	3.5	n/a
Estimated mobile penetration (%)	97	37	14	25	46	n/a
Number of operators	3	7	4	2	2	n/a
Market position	1	1	1	2	1	n/a
Estimated customer market share (%)	49	51	40	45	80	n/a
Ownership (%)	93.75	65	51	85	80	n/a
License expiry period	2024	2031	2018	2019	2016	n/a
Customers (thousand)	23 873	8 421	3 638	2 676	769	n/a
ARPU (R)	155	22	39	22	61	n/a
ARPU (local currency)	155	4 266	5.2	104	61	n/a
Minutes of use per user per month	95	56	66	39	32	n/a
Revenue (R million)	25 697	1 073	841	332	278	1 517
Operating profit (R million)	7 170	88	(140)	(86)	116	(27)
EBITDA (R million)	9 225	302	92	1	135	74
EBITDA margin (%)	35.9	28.1	10.9	0.3	48.6	4.9
Capital expenditure (R million)	1 644	142	28	155	17	79

Definitions

Customers	Customers are based on the total number of mobile customers registered on Vodacom's network, which have not been disconnected, including inactive customers, at the end of the period indicated.
ARPU	Total ARPU is calculated by dividing the average monthly service revenue by the average monthly total reported mobile customers during the period. Total ARPU excludes revenue from equipment sales and other non-service revenue. Prepaid and contract ARPU only include service revenue generated from Vodacom customers.
Churn	Churn is calculated by dividing the annualised number of disconnections during the period by the average monthly total reported mobile customers during the period.
Traffic	Traffic comprises total traffic registered on Vodacom's mobile network, including bundled minutes, promotional minutes and outgoing international roaming calls, but excluding national roaming calls, incoming international roaming calls and calls to free services.
MOU	Minutes of use per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly total of reported mobile customers during the period.
EBITDA	Earnings before interest, taxation, depreciation, amortisation, impairment losses, BBBEE charges, profit/loss on disposal of investments and on disposal of property, plant and equipment, investment properties and intangible assets.
Normalised	Normalised to exclude trading foreign exchange and at a constant currency.
HEPS	Headline earnings per share.
Operating free cash flow ('OpFCF')	Cash generated from operations less additions to property, plant and equipment and intangible assets and proceeds on disposal of property, plant and equipment and intangible assets.
South Africa	Vodacom (Pty) Limited (registration number 1993/003367/07), a private limited liability company duly incorporated in accordance with the laws of South Africa and its subsidiaries, joint ventures and SPV's.
International	The International segment includes Vodacom Tanzania Limited, Vodacom Congo (RDC) s.p.r.l., Vodacom Mozambique, Vodacom Lesotho (Pty) Ltd, Vodacom International Limited and Gateway.

Forward-looking statements

This presentation which sets out the interim results for Vodacom Group Limited for the six months ended 30 September 2010 contains 'forward-looking statements' with respect to the Group's financial condition, results of operations and businesses and certain of the Group's plans and objectives. In particular, such forward-looking statements include statements relating to: the Group's future performance; future capital expenditures, acquisitions, divestitures, expenses, revenues, financial conditions, dividend policy, and future prospects; business and management strategies relating to the expansion and growth of the Group; the effects of regulation of the Group's businesses by governments in the countries in which it operates; the Group's expectations as to the launch and roll out dates for products, services or technologies; expectations regarding the operating environment and market conditions; growth in customers and usage; and the rate of dividend growth by the Group.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'will', 'anticipates', 'aims', 'could', 'may', 'should', 'expects', 'believes', 'intends', 'plans' or 'targets'. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future, involve known and unknown risks, uncertainties and other facts or factors which may cause the actual results, performance or achievements of the Group, or its industry to be materially different from any results, performance or achievement expressed or implied by such forward-looking statements. Forward-looking statements are not guarantees of future performance and are based on assumptions regarding the Group's present and future business strategies and the environments in which it operates now and in the future.

Investor Relations
www.vodacom.com
Belinda Williams
+27 11 653 5195

Interim results for the six months ended 30 September 2010

